

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### PEMCO

#### New Mexico Manufacturing Extension Partnership

#### Pemco Brings Inspection Process In-House

##### Client Profile:

PEMCO is an oil industry company providing repair and refurbishment services for well drilling and servicing structures. PEMCO employs approximately 40 personnel and has been in business for approximately 40 years. The company is located in Hobbs, New Mexico.

##### Situation:

PEMCO is undergoing significant process improvement activities within the company to update its business and operational practices to meet the demands and expectations of today's energy systems industries. Part of these demands and expectations include meeting the requirements of industry standards for qualification and certification of special process employees. PEMCO contacted the New Mexico Manufacturing Extension Partnership (New Mexico MEP), a NIST MEP network affiliate, for assistance.

##### Solution:

New Mexico MEP provided services to PEMCO as part of an ongoing partnership to accomplish significant enhancements to PEMCO Quality systems and manufacturing services to meet today's industry standards and codes for derrick and well servicing structure inspection, repair and maintenance activities. The first phase of this process provided for formal training of PEMCO employees in the performance of visual weld inspection for compliance with various welding codes and standards. Additional support to PEMCO will include assisting PEMCO in updating various PEMCO employees Welder Qualification Records to current welding codes and standards, and the development and implementation of an ISO 9000 Quality Management System. To date, five employees have received formal training in Visual Weld inspection techniques for compliance to industry codes and standards significantly enhancing their knowledge of weld quality and the standards and codes that dictate their industry and scope of activities. This also translates into an approximate impact of \$150,000 in annual cost saving due to improvement in PEMCO product/services quality, decrease in weld rework, and the utilization of in house inspection personnel rather than contracting out these services.

##### Results:

- \* Received formal training in Visual Weld inspection techniques.
- \* Produced a cost savings of \$150,000.
- \* Improved quality and services.

##### Testimonial:

"New Mexico MEP's assistance to PEMCO is crucial in bringing PEMCO into today's competitive environment for manufacturing in accordance with current industry standards and requirements for management and manufacturing practices and techniques."

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Gary Buie, Vice President